

**The Economic Ramifications of the Immigration Policies Presented by the Major  
Candidates in the 2016 Presidential Election**

**An Honors Thesis (HONR 499)**

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### **Abstract**

Immigration has long been a politically charged topic; discussions pertaining immigration, and what sort of policies that the United States should put in place, intensified dramatically during the recent political season. Candidate Donald Trump communicated a message that immigrants cause lower wages, take jobs from Americans, and harm the economy. Hillary Clinton, his opponent, expressed that she would like to create a path to citizenship for the illegal immigrants living in America, all while advocating that immigrants provide a huge boost to the economy.

Immigration has a significant impact on America. As a result, our citizens should be aware of the effects that immigration can have on the economy and possess a basic understanding of the impact created by different types of policies. I looked at how both candidates view immigration and explained the economic ramifications of some of the policies proposed. I examined whether there are clear benefits offered by immigrants and used my conclusions to help briefly think through some current issues regarding immigration policy.

### **Acknowledgments**

I would like to thank Philip DeCicca for advising me on this project. His guidance and wisdom helped me to complete this daunting task.

### **Process Analysis Statement**

Starting my thesis was the most difficult part of the process. In the beginning, I was uncertain about where exactly to go with the project and what topics to cover. I finally decided to examine the impact that immigration has on the country with a political lens. After deciding on a topic, I brainstormed subtopics, such as some of the background concerning immigration and immigration crime rates, and began searching for sources. It was difficult to find some of my sources because there is a lot of political bias concerning immigration policy. In addition, studies, such as those looking at whether immigrants commit more crime than natives, are often manipulative as they aggregate both illegal and legal immigrants in order to obtain a result that satisfies the researcher's political bias. As a result, it took a considerable amount of time for me to find all of the resources that I needed to begin the process of writing my thesis.

I had some difficulty after I obtained my sources with beginning the paper because I had some difficulty determining how exactly to best organize the paper. As I have never written a paper of this magnitude before, this was a significant challenge. Once I began writing, however, the rest of the thesis followed smoothly. In the end, I believe that I have produced a product that clearly explains the ramifications of some of the immigration policy that was presented by the two major presidential candidates in the 2016 election.



## **I. Introduction**

Election cycles have always brought forth a time of excitement and discussion. Ranging from topics such as education and health care to the views held by candidates on foreign policy, presidential elections consistently generate discourse. Often times, these discussions tend to focus on the hot button issues facing the next president of the United States. The 2016 presidential campaign did not deviate; a plethora of controversial issues was addressed throughout the election cycle. Some of these issues were: how to address an anemic economy, the health care system, more specifically the Affordable Care Act, national defense, gun control, climate change, abortion, marriage equality, and immigration, among others.

The final two presidential candidates, Hillary Clinton and Donald Trump, disagreed vehemently on all of the above issues. As a result of the vast differences in each candidates' ideas, each side sought to verify the validity of their claims while undermining the ideas of their opponent. This objective, however, can be dangerous. Take our last president, for example. President Obama, on multiple occasions, tried to convince the public that the Affordable Care Act needed to be passed in order to reform our health care system. However, in the process of doing so, President Obama may have mislead the American people by telling them that, "If you like your health care plan, you can keep your health care plan." As seen with President Obama, politicians often tend to bend the truth in order to press forth with their agenda.

One must keep in mind the fact that candidates may be willing to distort the truth in order to become elected. Controversial issues, such as immigration, are often presented to a candidate's constituents in a manner such that the constituents are sympathetic with the candidate. Presenting only the aspects deemed necessary to win the approval of one's audience



can lead to confusion concerning the topic at hand. This style of campaigning may lead to an ill-informed general population, as it concerns the issues being discussed.

The goal of this paper is to consider how both major candidates addressed immigration, one of the more controversial issues during the 2016 election, and then explore the economic ramifications of immigration. I will explore the arguments made by each side in an attempt to explain what each party would like for one to believe about immigration. Having addressed that matter, I will examine the actual impacts of immigration and look at how some policies presented by our current President, Donald Trump, may affect the economy. First, however, I will examine some of the recent history surrounding our immigration system and will look at how the modern day system operates so that the reader will have the proper background knowledge to refer to for this paper.

## **II. Background**

Due to concerns regarding the enormous amount of immigrants that were flooding the country, the Johnson-Reed Act passed in 1924. Otherwise known as the Immigration Act of 1924, the legislature required the implementation of a national quota system to stem the flow of immigrants. The quota was set at two percent of the total of a particular nation's immigrants that were already in the United States (Immigration Act of 1924, n.d.) Utilizing this system helped keep the proportion of immigrants from each country relatively stable.

In addition to keeping the proportion of immigrants from each country relatively stable, the Johnson-Reed Act of 1924 also succeeded in keeping immigration at very low levels. America was able to essentially become a middle-class society over the time period from 1924 to 1965, an accomplishment aided by eliminating a significant source of cheap labor (Johnson,

2002). Over time, immigrants were able to assimilate into American culture, a task that is exceptionally difficult to achieve with large numbers of immigrants.

In light of the Cold War, the Democrats viewed the quota system as rhetorically embarrassing. In the 1960's, the Kennedy and Johnson administrations sought to reform the immigration system. The Democrats repeatedly stated that removing the quota system would not have much of an impact on the number of immigrants in the United States. However, in their effort to create a family-based immigration system, members of Congress failed to consider the implications of two key provisions of the legislation. The first provision stated that immediate family members of United States citizens and political refugees would face no quotas. The second placed family reunification as the key criterion to be eligible for admittance into the United States as an immigrant. The failure to consider the ramification of these two provisions allowed the total number of immigrants allowed into the United States annually to more than triple. About 300,000 immigrants on average came to the United States per year before the Immigration and Nationality Act of 1965; now over one million immigrants pour into the United States each year. In percentage terms the United States now receives more than two times the amount of immigrants than it received in 1965 (Johnson, 2002).

The modern day immigration policy is still heavily focused on "chain" migration, which is simply a term describing all immigration to the United States based off of family ties. The Immigration and Nationality Act of 1965, the body of law that currently governs immigration policy, also stipulates that immigration to the United States can be based on the admission of immigrants due to skills that have been deemed valuable, protecting refugees, and granting asylum as well as the reunification of families. The statute allows for a limit of 675,000 permanent immigrants to be allowed into the country each year, with exceptions being made for



close family members. Lawful permanent residence allow naturalized citizens to work almost any job within the United States as well as living lawfully in the country permanently. Aliens with lawful permanent residency are thus allowed to remain in the community, even if they are not employed (How the United States Immigration System Works, 2016).

Family based immigrants can either be admitted as immediate relatives of United States citizens or they can be admitted by virtue of the family preference system. In order to be admitted as an immediate relative a prospect must meet the standard eligibility criteria, fiscal requirements, and be of the proper age. An immediate relative has been defined as either a spouse of a U.S. citizen, an unmarried child of a U.S. citizen that has yet to reach their twenty-first year of age, or a parent of a U.S. citizen (How the United States Immigration System Works, 2016).

The family preference system requires the above criteria to be met as well for prospective immigrants. In the preference system adult children in addition to brothers and sisters of U.S. citizens are targeted as well as the spouses and unmarried children of lawful permanent residents. In order for a foreigner to enter the United States as a lawful immigrant, a U.S. citizen or a sponsor has to petition for their entry, establish the legitimacy of the relationship, and sign an affidavit of support pledging fiscal responsibility for the family member immigrating to the United States. The total number of family based visas that are issued now often exceeds 480,000 (How the United States Immigration System Works, 2016).

The United States offers either permanent or temporary employment based visas as well. Employers may issue temporary employment-based visa permits so that they can hire and petition foreign workers for a limited period of time. The majority of immigrants that are granted a temporary visa must work for the employer that hired them; they rarely have the ability



to change their job. An immigrant with a temporary work visa must leave the United States if they are terminated or their visa status expires. Permanent employment-based visas are typically offered to immigrants with exceptional skills. The number of foreigners that receive a permanent work visa is usually less than 140,000 each year. This number does include any eligible spouse or unmarried minor children that the immigrant possess, however, as a result, the actual number of highly skilled labor imported by the United States each year is generally overstated (How the United States Immigration System Works, 2016).

In a similar fashion to the quota that it abolished, the Immigration and Nationality Act of 1965 also stipulates that the total number of permanent immigrants admitted from a particular country cannot exceed seven percent of the total amount of people immigrating to the United States in a single year. By instituting this limit, the United States seeks to prevent one country from dominating the immigration process.

Lastly, the United States allows immigrants who are attempting to flee persecution or life threatening conditions. Refugees often apply for admission to the United States from a country other than their own. The amount of refugees to be admitted into the United States each year is determined via a meeting between the President and Congress. Asylum is similar to refuge in that those granted asylum is allowed into the country for the same reasons. The difference between refugees and those granted asylums is that asylum is allowed for people that are already in the United States. Both individuals that are refugees and individuals that received asylum may be eligible to become a lawful permanent resident after one year of admission to the United States (How the United States Immigration System Works, 2016).

Naturalization is the process of becoming a citizen of the United States of America. An immigrant must have held a green card, which grants lawful permanent residence status, for at

least five years. If an immigrant obtained their green card through the Violence Against Women Act or a spouse who is a U.S. citizen the immigrant may be eligible in just three years. Other requirements that must be met include the following: the immigrant must be at least 18 years of age, demonstrate good moral character, pass U.S. history and civics and English exams, demonstrate continual residency, and pay an application fee. If all of these requirements are met, then an immigrant may officially become a U.S. citizen (How the United States Immigration System Works, 2016).

Immigrants are often broken up into two categories: legal and illegal. Illegal immigrants are those that either do not leave the country when their visa expires or that cross the United States border without a visa, usually avoiding inspection in the process. Despite possessing an unlawful status, illegal immigrants do have some rights under the U.S. Constitution. Undocumented immigrants have a right to a trial by jury and a defense should they be charged with a crime or sued. Illegal immigrants are also protected against unlawful search and seizure by law enforcement personnel as well as being protected against self-incrimination. Illegal aliens may sue in court and are protected under the first amendment (Bray, n.d.).

If it is discovered that an illegal alien is here illegally, the illegal immigrant may be deported. Undocumented immigrants have the right, however, to defend themselves against deportation. Illegal immigrants possess the right to representation in court by an attorney, however, the United States government is not required to pay for the attorney on the behalf of the immigrant. Twelve states currently grant illegal immigrants the right to drive cars in that state. Even though it is illegal, a multitude of undocumented immigrants work in the United States. Employers are required by law to ensure that their employees are U.S. citizens, although some choose not to do so because undocumented labor tends to be cheaper than native labor. If an



illegal immigrant is hurt on the job, they are eligible to receive worker's compensation in some states. The majority of states, however, block undocumented workers from collecting these benefits or unemployment insurance. It has been estimated that illegal immigrants comprise approximately five percent of the United States labor force (Bray, n.d.).

### **III. Immigration in the 2016 Presidential Campaign**

Having briefly discussed some of the history of our immigration system, how our current immigration policy works, and some of the rights possessed by both legal and illegal immigrants, I will now examine what each of the final two Presidential candidates outlined regarding immigration as well as examining how the candidates appeared to be hoping the general public would view immigration. I will then look at the overall effects immigration has on the economy and address some of the policy ideas currently being discussed by our President, Donald Trump.

Hillary Clinton, the Democratic candidate, proposed a liberal immigration plan. Clinton emphasized that as a nation of immigrants, America should embrace immigration. One of Clinton's largest priorities regarding immigration would have been to provide a pathway to full and equal citizenship for undocumented immigrants. Clinton proposed to reduce restrictions on the borders even more and expedite the process required to legally immigrate. In addition, Clinton would have protected both the Deferred Action for Childhood Arrivals, which essentially would allow illegal minor immigrants to stay in the country legally for at least two years while obtaining a work permit, and the Deferred Action for Parental Accountability Act, which was ended by the Trump administration. As president, Clinton would have curtailed the power that the United States Immigration and Customs Enforcement Agency has by ending detention centers and making illegal immigration into the United States more appealing. In addition, Clinton hoped to expand access to the Affordable Care Act, regardless of whether one is a legal



resident of the United States or an undocumented immigrant (Hillary on immigration during campaign, 2017).

Other actions that Hillary planned on taking in order to promote more immigration included waiving more fees in an effort to alleviate the cost of naturalization. Due to the fact that a plethora of immigrants are not proficient in English, Clinton proposed easier access to language programs for immigrants as well as spending more resources to provide education for immigrants. Finally, Clinton anticipated the creation of a National Office of Immigrant Affairs to oversee the efforts to further educate immigrants (Hillary on immigration during campaign, 2017).

While Clinton proposed an immigration plan that was liberal, Trump's immigration plan was relatively conservative; it was frequently described as anti-immigration by liberals. Trump highlighted the need for America to put the needs of Americans ahead of the needs of those from other nations. The candidate claimed that Mexican leaders have been abusing the United States' weak border for years by utilizing illegal immigration to export crime and poverty. Mexico encouraged this, Trump stated, by producing pamphlets explaining how to successfully immigrate illegally into the United States. Trump then stated that the cost associated with this illegal immigration have forced U.S. tax payers to pay enormous sums in order to pay additional health care costs, housing costs, educational costs, and welfare costs. Trump claimed that the impact of undocumented immigrants on job seekers has been devastating, with black Americans suffering the most. On the grounds that Mexico is primarily responsible for our immigration situation, Trump stated that he will build a security wall along the southern border to prevent the vast majority of illegal immigration and that Mexico would pay for the construction of the wall (Immigration Reform That Will Make America Great Again, 2017).

In order to prompt Mexico to pay for the wall, Trump threatened to do the following: “impound all remittance payments derived from illegal wages; increase fees on all temporary visas issued to Mexican CEOs and diplomats (and if necessary cancel them); increase fees on all border crossing cards – of which we issue about 1 million to Mexican nationals each year (a major source of visa overstays); increase fees on all NAFTA worker visas from Mexico (another major source of overstays); and increase fees at ports of entry to the United States from Mexico [Tariffs and foreign aid cuts are also options]” (Immigration Reform That Will Make America Great Again, 2017). Trump has also proposed to triple the number of Immigration and Customs Enforcement officers. Relatively speaking, there were about half as many ICE deportation officers as there are Los Angeles Police Department officers. The future Commander in Chief made a commitment to enforce existing law. America has the right to deport any illegal alien, a right Trump seeks to exercise. Doubling down on his belief that illegal immigrants commit a disproportionate amount of crime relative to natives, Trump vowed that any illegal immigrant, particularly those that commit crimes, must be deported (Immigration Reform That Will Make America Great Again, 2017).

In an effort to provide incentive for illegal immigrants to refrain from committing crimes, Trump also suggested increasing the penalties for crimes committed by illegals. Sanctuary cities, cities that shield undocumented immigrants from the law, could be defunded in order to promote cooperation with law enforcement agencies. A visa tracking system will help keep track of expired visas. Ending DACA will be a priority for the Trump administration as well, not only because of the economic strain and higher crime rates that the candidate claims the program causes, but also to help ICE enforce the law (Immigration Reform That Will Make America Great Again, 2017).



Another point of emphasis for Trump will be to end birthright citizenship. Under the current policy if someone is born in the United States they automatically become a United States citizen. Ending this policy would prevent the children of illegal immigrants from receiving citizenship, which in turn would eliminate a significant motive for illegally coming to America (Immigration Reform That Will Make America Great Again, 2017).

Finally, Trump explains that immigration is overall a source of economic hardship for many American cities. He believes that American businesses need to stop importing cheap labor and start hiring only from the domestic pool of labor. This will help stimulate economic growth while increasing wages and help reduce taxes by minimizing costs such as those associated with welfare. If necessary, Trump will pause the issuance of green cards so that the economy can recover as our record immigration levels are reduced towards a more moderate amount (Immigration Reform That Will Make America Great Again, 2017).

As I have demonstrated, Trump and Hillary clash on nearly every point concerning immigration with the exception of wanting to have a secure border, even though Clinton did not detail a plan to secure the border, which may be due to her efforts to court the legal Hispanic vote. Donald Trump has expressed a desire to build a wall along the border, put more resources into limiting and deporting illegal immigrants, and minimize incentives that would attract illegal immigrants. Clinton, on the other hand, desired a pathway to citizenship for undocumented immigrants, expressed a desire to expand the resources used to help undocumented immigrants, and take action designed to promote immigration, whether it is legal or illegal. Clinton expressed the belief that all immigrants help grow the economy and illegal immigrants are no more dangerous than native citizens. Her counterpart, however, argued that immigrants, particularly those here illegally, cost Americans their jobs. In addition, Trump made clear his



opinion that illegal immigrants commit crime at a much greater rates than natives (Valverde, 2016).

As a result, it appears that one of, if not the largest, points of contention between Trump and Clinton's view of immigration is illegal immigration. Do illegal immigrants provide a net economic gain and how much crime do they commit compared to natives? Another point of contention appears to be whether immigration as a whole benefits the economy. Donald Trump stated that he thinks the United States should deport the illegal aliens and limit the amount of legal immigrants allowed into the country, particularly those permitted by way of a work visa. While Trump favors merit based immigration, he also believes that the supply of imported labor should be limited, particularly until the amount of Americans unemployed is reduced. Clinton on the contrary asserted that immigrants, including those here illegally, all help to grow the economy; by flooding the country with immigrants the United States will only succeed in achieving more job growth.

#### **IV. Economic Impacts of Immigration**

The story of immigration's effect on the economy from a liberal perspective is as follows. The majority of immigrants in the United States, both legal and illegal, are less educated than natives; in addition, immigrants tend to lack strong communication skills. Due to the fact that a significant amount of immigrants lack both communication skills and education they often take complementary jobs that require little communication, such as jobs in agriculture or construction. A complementary job is simply one that boosts the productivity of another worker. In accordance to the law of supply, when there is an influx of labor into a particular sector, wages for that job will fall. When wages fall, native workers will be pushed out of the industry and will

enter higher paying jobs that rely more on communication skills. Low cost labor, of course, reduces costs and allows businesses to slash the prices of consumer goods (Amadeo, 2017).

Recent estimates state that there are a little over 11 million immigrants that have entered the country illegally, which would represent roughly 3.5 percent of the total population. Eight million of the undocumented workers are in the workforce, despite it being illegal for them to work (Amadeo, 2017). With the majority of immigrants working in low paying jobs, it should not come as a surprise that immigrants lower the wages of native workers with little formal education. The decrease in the wage of these low-educated native born workers has been estimated to have declined by anywhere from 0.4 to 7.4 percent as a result of the presence of undocumented workers. Illegal immigrants have the opposite effect on workers in complementary jobs. Workers that benefit directly from the work of these illegal immigrants, rather than competing directly with them, have experienced an increase in wages of up to ten percent (Davidson, 2013).

Illegal Immigrants also provide a benefit in the form of social security. A significant amount of illegal immigrants contribute to social security. Stephen Goss, the Chief Actuary for the Social Security Administration, estimated that illegal aliens contribute \$15 billion to Social Security but only use one billion in benefits due to the fact that most illegal immigrants are not eligible to receive the benefits (Davidson, 2013).

Democrats often refute the claim that illegal immigrants steal jobs from native workers, stating instead that undocumented workers only take the jobs that Americans refuse to do at prevailing wages. Alex Nowrasteh, an immigration expert at the libertarian Cato Institute recently stated that the concept that illegal immigrants take the jobs of American-born citizens is something that virtually no learned person believes (Frum, 2015). In addition, the liberal Center



for American Progress implied that granting legal status to undocumented workers could lead to the creation of jobs (Frum, 2015).

Adam Smith, the father of economics, believed that economic growth is driven by the division of labor, a point agreed upon by modern economists. Division of labor occurs when workers specialize in a particular area to maximize efficiency. When workers are able to specialize everyone becomes more productive. If one were to assume that low-wage immigrant workers were paired with high-wage natives, then it would seem possible that total production would rise. This is due to the fact that the low-wage workers complement higher-wage native workers and allow the natives to specialize. An undocumented worker, for instance, could run a day care center to allow the child's parents to return to the workforce. A foreign-born landscaper enables a lawyer to spend Saturday with his client (Frum, 2015).

The complementary relationship between low-wage immigrants and high-wage natives seems to hold even as the encounter between them becomes more distant and abstract. Middle class Americans are capable of buying a fast food meal and picking up a veggie tray at a grocery store or even having presents prewrapped before they are sent to their door all because of immigrants. Low income immigrants make the lives of higher income natives easier and more efficient.

The promise is, however, that even if one cannot afford to use day care services, even if one does their own landscaping, even if one cannot afford to buy fast food meals or veggie trays, even if one shops at a dollar store rather than using the services of Amazon, one will still be better off due to immigration. This claim can still be true, according to some economists, because immigrants will force low income Americans into new niches that pay better. The increasing demand for day care centers will lead to more jobs for natives. A foreign-born



landscaper may need to hire a bilingual translator because of an inability to speak English. More native health inspectors will be hired because of an increase in fast food services. When more people demand prewrapped gifts more native-born FedEx drivers will be delivering those gifts. It certainly looks as if everybody wins!

There are, however, several problems with the story outlined above. While it is possible that immigrants may provide a benefit to most native workers, whether it is through the creation of jobs or reduction in the price of consumer goods, one must consider how these economists arrive at their claims. Econometric models are frequently used to test economic theory using tools like regression analysis coupled with large data sets. Have these economists selected the correct data, and are they properly comparing the data sets? It is possible that a model relying upon unrealistic assumptions can achieve internal consistency. Such a model, however, may not accurately describe what is happening in the real world.

George J. Borjas, who has been described as America's leading immigration economist, examined one such model. The model focused on examining the impact that immigration had on the decline in wages of non-college-educated Americans between 1990 and 2006. The original model aggregated high-school dropouts with high-school graduates and found that immigrant labor was responsible for 13.2 percent of the increase in hours worked from 1990 to 2006, a significant but certainly not an overly alarming number. If one were to break the model down to compare like with like, then there is a significant difference. Between 1990 and 2006 immigrants accounted for 23 percent of the increase in hours worked among high school dropouts only. Immigrants are responsible for roughly one third of the increase in hours worked among high school dropouts in their 30s and 40s. This example shows how easy it could be to manipulate a model in order to achieve a particular result (Borjas G. , 2013).

The cost of employing people within the immigration dominated niches has plummeted as more and more immigrants flood the labor market. If a multitude of people is capable of doing your job, your employer may not pay you as much because he can hire someone who will work for a lower wage. Employers often like hiring illegal immigrants because they have significant leverage over them. Undocumented workers are not legally able to work, as a result, employers can force illegal immigrants to work in horrible conditions, they can pay them less money, and employers can fire an illegal worker whenever they want to without any repercussions. It is quite simply impossible for a native worker to compete with an illegal immigrant that is willing to work for five dollars an hour. It should be noted that the majority of illegal immigrants take service jobs; only about ten percent of undocumented workers work in the agriculture industry, contrary to what is often stated. As a result, illegal immigration not only harms natives with low education, they may also be largely responsible for the increase in youth unemployment (Morrison, 2017).

Economists agree that the only way that immigration yields any benefit to native workers comes in the form of wage cuts and job displacement. Native workers are driven to higher paying sectors by a decline in their wage and through job displacement. However, what if this assertion is wrong? Is it possible that instead of shifting to other markets natives instead shift out of the labor market entirely? One must consider that acquiring new skills takes time, effort, and resources. In order to shift into a higher paying industry a native worker may be forced to relocate away from his family. They are forced to take on the risk of failure when such a risk is certainly unappreciated.

It is unequivocally intriguing that the exit of native workers from the workforce due to immigration actually has the effect of moving immigration models in a pro-immigration



direction. If a manager at a fast food restaurant earning \$14 dollars an hour is replaced by an immigrant and shifts to a retail position making \$10 dollars an hour as a result, the economic model shows that this native worker has been hurt. Nevertheless, if the worker instead shifts out of the workforce altogether, then the model will simply ignore him since he would no longer be in the labor force. When the native worker disappears from the model, the evidence that an immigrant harmed a native worker disappears as well.

As with any economic issue, one should always consider the opportunity cost, or the value one must give up to obtain a particular result, associated with a policy. The majority of illegal immigrants is concentrated in five states: California, Texas, New York, Florida, and Arizona. California, the state with the most illegal immigrants, spends over 20 percent of their government budget on illegal immigrants - money that could be going more directly towards its citizens. There are several issues that America could address using the money that is spent each year on illegal immigrants. Infrastructure, for instance, desperately needs to be addressed. Traffic jams, for example, cost the United States roughly 124 billion dollars each year, an obscene number (Morrison, 2017).

A rather popular argument made in support of illegal immigrants is that they only take the jobs that Americans refuse to work; undocumented workers do not take jobs from natives. George J. Borjas stated that, "a 10 percent increase in the number of workers with a particular set of skills probably lowers the wage of that group by at least 3 percent." Due to the fact that a disproportionate amount of immigrants possesses few skills, immigrants tend to focus on low paying jobs that are not deemed desirable. This forces native workers out of their jobs, particularly harming Black and Hispanic Americans, while possibly pushing them into non-labor

market activities like crime as well. It is not true that Americans refuse to work these jobs, rather is impossible for Americans to compete for these jobs (Borjas, 2016).

At a macro level, jobs are being created, however, native-born Americans are not being hired for them. There are roughly 1.5 million fewer natives working since the collapse of Lehman Brothers, which played a major part in triggering the great recession, which began December 2007. Despite the reduction in the number of native workers, there are now two million more immigrants, both legal and illegal, working in the United States today. Immigrants have taken all of the net new jobs created since November 2007. In addition, millions of native-born workers have abandoned the workforce; the percentage of men age 25 to 54 that are in the workforce has dropped to the lowest point in recorded history (Frum, 2015).

## **V. Discussion**

It is clear that immigrants provide a benefit for Americans as well as impose costs for Americans. It has been estimated that immigration provides an increase in total wealth of the native population of around 50 billion annually. Immigrants utilize government assistance at a much higher rate than natives do while paying less money in taxes due to the fact that immigrants in general have lower earnings. As a result, immigration creates a fiscal burden for natives of at least 50 billion annually. These estimates imply that from a fiscal sense immigration may not affect natives on a macro scale. Immigration redistributes wealth from those who compete with immigrants to those who employ immigrants (Borjas, 2016).

Education is one of the most significant determining factors to figure out how productive an immigrant may be. Excluding any costs involving children, an immigrant without a high school diploma typically creates a lifetime fiscal drain of \$89,000. The average lifetime fiscal drain is \$31,000 for an immigrant with only a high school diploma. More educated immigrants,



however, are capable of creating a lifetime fiscal surplus of \$105,000. The ordinary illegal immigrant possesses only ten years of schooling and uses nearly \$14,400 more in services than he or she paid in taxes. It is estimated that illegal immigrants produce a total fiscal drain of \$55 billion (Camarota, 2013).

The net gain produced by immigrants, both legal and illegal, is small. Borjas estimates that the net gain to natives is just 0.2 percent of the total GDP in the United States. It appears that large-scale immigration does not necessarily result in large-scale job growth. Immigration proponents often claim that legalizing all illegal immigrants would create growth, however, if illegal immigrants were legalized they would cost households about \$7,700 per household at the federal level. Illegal and low-education legal immigrants create a significant fiscal drain, while highly educated immigrants provide an economic boost. Legal residents who lack education may actually be a larger fiscal issue than illegal immigrants because legal residents possess access to many more social welfare programs. As a result, granting amnesty to undocumented aliens could very well be a costly decision (Camarota, 2013).

The evidence suggests that illegal immigrants undercut low-wage natives and typically take their jobs. While some predict that these now unemployed natives will update their skills and move into higher paying jobs, it appears that they more often than not leave the labor force or become discouraged workers. Illegal immigrants use more government services than the average native while generating less tax revenue; as a result, illegal immigrants create a fiscal drain on the economy. In a similar manner, low education legal immigrants also tend to create a fiscal drain. These immigrants harm Black Americans and Hispanic Americans, both of which tend to be less educated than most natives, the most and as a result may increase crime rates among these populations.

Highly educated immigrants tend to be a great addition to the workforce and boost the economy. Immigration as a whole, however, has no significant effect on the overall wealth of the nation. Rather, immigration tends to act as a redistribution program, with the people who use immigrants gaining the wealth lost by those who compete with them. This fact is clearly evident by the fact that businesses usually spend a tremendous amount of resources in an effort to keep high levels of immigration. Sure enough, the vast majority of the new jobs the past several years have gone to immigrants. One should also keep in mind that although immigration does make the economy larger, a larger economy by itself is not necessarily a benefit to native workers.

While it may be true that immigration has little overall effect on the total wealth of natives, one must consider other factors regarding immigration as well, such as the opportunity costs. As stated above, the plethora of resources that are used for helping immigrants could be used elsewhere, in an area of need such as infrastructure. Another significant item concerning immigrants, legal and illegal is crime. Do immigrants commit more crime than natives? Are illegal immigrants more likely to commit crime than legal immigrants? It may be wise to consider such non-economic consequences.

A report that examined the criminal histories of 55,322 undocumented aliens that entered the United States and were later incarcerated as illegal immigrants during 2003 showed alarming results. These illegal immigrants had been arrested 459,614 times while committing nearly 700,000 criminal offenses. In other words, these undocumented immigrants were arrested an average of 8.3 times and committed an average of 12.7 criminal offenses! These numbers are likely understated as well due to the fact that a prosecutor often will drop criminal charges if assured that the criminal will be deported (Strobl & Von Spakovsky, 2017).



The vast majority of studies examining the impact that immigrants have on crime rates are misleading. Nearly every study combines legal and illegal immigrants to examine their total impact on crime. However, documented immigrants are actually more law-abiding than U.S. citizens due to their fear of having their legal status revoked. Illegal immigrants, on the other hand, have much higher crime rates than U.S. citizens. Lawful permanent residents, for instance, made up only 1.5% of Arizona's prison population in 2014 despite possessing a 3.9% share of the state's population. If one were to combine both legal and illegal immigrants, however, then the group would comprise 14.1% of the prison population relative to an 8.7% share of the population (Lott, 2018).

According to data from 1985 to 2017, illegal aliens commit at least 142% more crime than other Arizonans. In addition, illegal immigrants tend to commit more serious crimes, as a result, they receive sentences that are 10.5% longer than the sentence natives usually receive. On average an undocumented alien is sentenced to 660.6 days in prison compared to 598 days for U.S. citizens and 473.6 days for legal immigrants. It should be noted that in addition to committing more violent crimes, undocumented immigrants also tend to commit a significant amount of crime against other undocumented immigrants. This is a problem because illegal aliens hesitate to contact the police if they have experienced a crime due to their fear of being deported if they reveal their status. This phenomenon may contribute to artificially low numbers of crimes committed by undocumented aliens (Lott, 2018).

Another fascinating point concerning the study done by John Lott concerns the recidivism rates for illegal aliens. While 24.8% of U.S. citizens that were convicted in Arizona have served in the Arizona department of corrections at least 5 times, only 3% of illegal aliens have cycled through the Arizona prison system as many times. It is striking that given such a

low recidivism rate undocumented immigrants make up such a large share of the prison population. While nearly a quarter of the prison population made up of U.S. citizens consist of the same individuals consistently cycling through the system, it is rare for an illegal immigrant to get caught again. Hence forth, there is a much larger share of undocumented immigrants committing crimes relative to native born citizens than may normally be inferred from looking at the proportion of illegal aliens in the prisons (Lott, 2018).

One of the most contentious issues regarding immigration right now is the debate over Deferred Action for Childhood Arrivals. As a result, it is instructive to examine the crime rates of illegal aliens that are of the proper age and are eligible for DACA. DACA eligible undocumented immigrants are 250% more likely to be convicted of crimes than their share of the population. In order for their conviction rate to be equivalent to the conviction rate of the general population, the amount of illegal immigrants in Arizona would have to be nine times greater than the number that researchers provided. Furthermore, undocumented DACA eligible immigrants tend to commit more serious crimes than natives do, as a result, they serve sentences that are about 9.7% longer than those of U.S. citizens (Lott, 2018).

While legal immigrants do not present an issue regarding crime rates, illegal immigrants present an enormous issue. If illegal immigrants across the country committed crimes at the same rate as in Arizona then from 2014 to 2016 there would be an annual average of about 946 more murders and manslaughters, 5,218 more rapes, 8,753 more robberies, 23,969 more aggravated assaults, 28,284 more burglaries, 89,335 more larcenies, and 19,330 more vehicle thefts (Lott, 2018). In addition, it should be noted, mainly because of the criticism that Donald Trump drew from claiming that Mexican immigrants are importing crime to the United States,



that Mexican immigrants commit between 3.5 and 5 times as many crimes as the average native (Strobl & Von Spakovsky, 2017).

Another factor regarding immigration that should be examined is the impact that immigrants have on those around them. California is by far the most attractive state for illegal immigrants. The state recently became a “sanctuary” state, which means that state officials refuse to cooperate with federal immigration and customs enforcement agents. Interestingly enough, California is also a leader in poverty rates and possesses an immense amount of homeless people. The Golden State recently was given the award for having the worst quality of life of any state in the United States (Best States for Quality of Life, 2018). California is experiencing several issues due to their enormous population of illegal immigrants.

California is not the only region of the United States that has been damaged due to illegal immigration. The great recession of 2008 was caused by multiple factors, one being the subprime loan crisis. A subprime loan is simply a loan that is offered to a borrower with a subpar profile. Individuals that would not have otherwise been able to get a loan were able to borrow with subprime loans. These loans, however, often were too expensive for the borrower to pay off; the more risk that has to be accounted for the higher the payment will be. Illegal immigrants were the recipient of a significant amount of these loans, and their inability to pay off the loans contributed to the subprime loan crisis, which in turn helped spur the great recession. While the recession would likely still have occurred without the presence of illegal immigrants, their presence certainly did not help.

It is clear that illegal immigrants have an overall detrimental effect on the country. Undocumented immigrants flood industries with low amounts of required skill and communication while driving native workers from their jobs. More often than not, these native

workers leave the work force. Econometric models used to measure the effect that immigration has in society typically overestimate the benefits produced by immigrants and underestimate the cost associated with them. In addition, undocumented workers use more government assistance than natives and pay less in taxes. Perhaps the largest factor concerning the impact that illegal immigrants have in America is the amount of crimes that they commit. Moreover, illegal immigrants have a tendency to lower the quality of life of those around them and have contributed to cataclysmic economic events. The United States would be wise to implement any reasonable measure to restrict illegal immigrants from entering the country. In addition, deporting the illegal immigrants already in the country, especially those who are criminal, may also help the economy.

Legal immigrants, on the other hand, in general, are helpful and boost the economy. Legal immigrants with exceptional skills and education are unquestionably good for the economy. Legal immigrants with little education can be a hindrance, however, as they are likely to use government assistance while paying less in taxes. Having sporadic uneducated legal immigrants can be good since they can take jobs that will complement more educated native workers. However, the United States should make a priority to limit the importation of low skill workers. The vast majority of these low skill jobs could easily be filled by American youth, a significant amount of which are not working due to illegal immigrants, and native adults that have dropped out of the workforce due to immigrants. Legal immigrants do not commit many crimes; in fact, they tend to commit less crime than natives.

## **VI Conclusion:**

Donald Trump outlined throughout the campaign his desire to prevent illegal immigration and limit the incentives that one may have to illegally immigrate. He has put an emphasis on the



need to reform immigration such that the needs of Americans are put first. Building the wall and ending chain migration in favor of a merit based system are two items that he has suggested to accomplish these goals.

Building a wall along the southern border could actually be a surprisingly effective step towards stopping the flow of illegal immigrants into the country. As discussed above, illegal immigrants are a burden for the country; the fewer illegal immigrants the United States has the better off the American people will be. The border wall would be one of the largest projects ever undertaken by the American people. The project would likely take around a decade to complete and would create a plethora of jobs for the American people. Trump has mentioned that he would like to create a solar wall, meaning that the wall would be covered in solar panels. This addition would help the wall to pay for itself in the future. The immediate benefits from the wall, such as the creation of jobs and limitation of illegal immigrants in the country, as well as the solar power that would be generated, would help to stimulate the economy.

In addition to building the wall, the United States may want to eliminate chain migration. Chain migration allows immediate relatives of U.S. citizens to come to the country. The majority of the time these relatives have little education and lack a proficiency in English. As a result of chain migration, the United States has imported a glut of low skill labor, which is crippling low skill American workers. The distinction between the effects that high and low skilled immigrants have on the economy is quite clear. The United States would be better off moving away from a family based immigration system and towards an immigration system based on merit, such as the system employed by other nations such as Canada.

The policies put forth by Hillary Clinton and Donald Trump could not have been more divergent. However, with illegal immigration as well as uneducated legal immigrants harming

the economy, it is evident that the policies put forth by Donald Trump during the campaign are much more practical and efficient than those put forth by Hillary Clinton. Taking steps such as building the wall and ending chain migration will promote the interests of the American people and will be a step in the right direction of improving their economic well-being.



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